

STANDARD FORM NO. 64

• *Office Memorandum* • UNITED STATES GOVERNMENT

TO : Chief, FBIB

DATE: 1 July 1947

FROM : Assistant Director for Operations

SUBJECT: Report on Negotiations Conducted with the British Government Relative
to a Reciprocal Monitoring Arrangement between FBIB and BBC

1. For file.
2. Initiate both here and abroad such security checks as can be made
in order that we may make a prompt move when notified "OK" by the UK.

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Brigadier General, USA
Assistant Director for Operations

Notes
PS 18
Letter to Hall on Matter
Letter to Secretary on Americans
7/2/47

UNCLASSIFIED		RESTRICTED	CONFIDENTIAL	SECRET	TO SECRET
(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)					
CENTRAL INTELLIGENCE GROUP					
INTER-OFFICE ROUTING SLIP					
FROM		TO	INITIALS	DATE	
<input checked="" type="checkbox"/>	DIRECTOR OF CENTRAL INTELLIGENCE				
	DEPUTY DIRECTOR 25X1	1			
	SECRETARY TO THE DIRECTOR				
	EXECUTIVE OFFICE: EXECUTIVE DIRECTOR	2	SE	6/2/47	
	ADVISORY COUNCIL				
	EXECUTIVE FOR PERSONNEL & ADMINISTRATION				
	CENTRAL RECORDS				
	SECRETARY, NIA				
	CHIEF, INTERDEPARTMENTAL STAFF				
	ASST. DIRECTOR, SPECIAL OPERATIONS				
	ASST. DIRECTOR, REPORTS & ESTIMATES				
	ASST. DIRECTOR, OPERATIONS	3			
	ASST. DIRECTOR, COLLECTION & DISSEMINATION				
	CHIEF, SECURITY BRANCH				

APPROVAL <input type="checkbox"/>	INFORMATION <input type="checkbox"/>	DIRECT REPLY <input type="checkbox"/>
ACTION <input type="checkbox"/>	RETURN <input type="checkbox"/>	COMMENT <input type="checkbox"/>
RECOMMENDATION <input type="checkbox"/>	PREPARATION OF REPLY <input type="checkbox"/>	FILE <input type="checkbox"/>
SIGNATURE <input type="checkbox"/>	CONCURRENCE <input type="checkbox"/>	DISPATCH <input type="checkbox"/>

REMARKS:

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(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)					
CENTRAL INTELLIGENCE GROUP					
INTER-OFFICE ROUTING SLIP					
FROM		TO	INITIALS	DATE	
	DIRECTOR OF CENTRAL INTELLIGENCE 25X1	2			
	DEPUTY DIRECTOR	1			
	SECRETARY TO THE DIRECTOR				
✓	EXECUTIVE OFFICE: EXECUTIVE DIRECTOR		SE	6/25/47	
	ADVISORY COUNCIL				
	EXECUTIVE FOR PERSONNEL & ADMINISTRATION				
	CENTRAL RECORDS				
	SECRETARY, NIA				
	CHIEF, INTERDEPARTMENTAL STAFF				
	ASST. DIRECTOR, SPECIAL OPERATIONS				
	ASST. DIRECTOR, REPORTS & ESTIMATES				
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	ASST. DIRECTOR, COLLECTION & DISSEMINATION				
	CHIEF, SECURITY BRANCH				

APPROVAL <input type="checkbox"/>	INFORMATION <input type="checkbox"/>	DIRECT REPLY <input type="checkbox"/>
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RECOMMENDATION <input type="checkbox"/>	PREPARATION OF REPLY <input type="checkbox"/>	FILE <input type="checkbox"/>
SIGNATURE <input type="checkbox"/>	CONCURRENCE <input type="checkbox"/>	DISPATCH <input type="checkbox"/>

REMARKS: ① Suggest that DCI should see this. If favorable reply is received from British and project is approved by PAC, the names of American employees must be specifically reviewed by our Security Office before transfer of personnel is made.

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STANDARD FORM NO. 64

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Executive Director

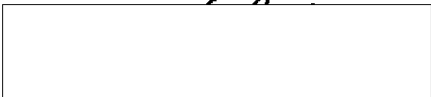
DATE: June 23, 1947

FROM : Assistant Director for Operations

SUBJECT: Report on Negotiations Conducted with the British Government Relative to a Reciprocal Monitoring Arrangement between FBIB and BBC

The attached report is furnished for your information and you may perhaps wish to bring it to the attention of the Director. Please return the report to this office when you have finished with it. I shall keep you advised of the progress we make on this problem.

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Brigadier General, USA
Assistant Director for Operations

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19 June 1947

MEMORANDUM FOR ASSISTANT DIRECTOR FOR OPERATIONS:

SUBJECT: Report on Negotiations Conducted with the British Government Relative to a Reciprocal Monitoring Arrangement between FBIB and BBC.

I. MISSION

On 7 April 1947 the Chief, FBIB, departed for London with instructions from CIG to negotiate a reciprocal monitoring arrangement with the British Government and the British Broadcasting Corporation for the fiscal year 1948. The purpose of the mission was to extend the existing incomplete monitoring exchange to a complete world-wide interchange between the broadcast monitoring services of both governments. Specifically, the proposal of CIG was to obtain from the British Government agreement to the following:

- a. Continuation of the war-time arrangement whereby the European monitoring service of BBC at Caversham, England, would make available to FBIB at no cost the entire product of that intercept station.
- b. Assumption of responsibility by the British for the handling of FBIB communications from its Middle Eastern monitoring station to London.
- c. Authorization for the transfer of the FBIB listening post at Cairo to the British Crown Colony Island of Cyprus in the event that the unstable political situation in Egypt made it necessary for operational reasons to relocate the FBIB Cairo monitoring post.

In return for the above considerations from the British, CIG authorized FBIB to provide the British Monitoring Service with the following:

- a. A copy in London of the FBIB Middle Eastern monitoring file which would be routed to London via British facilities at the latter's expense.
- b. A file not to exceed 25,000 words per day of material monitored by FBIB from the Far East and Latin America. This file would be selected by FBIB editors in Washington and transmitted from Washington to London via U. S. Army Signal Corps facilities.

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The above proposals were approved by the Department of State and a letter of instruction was sent by the Department to the American Ambassador in London advising him to give the CIG representatives all possible assistance during the negotiations.

II. NEGOTIATIONS

The CIG proposals for reciprocity were presented formally to the British Government by the Chief, FBIB, the Chief, CIG Communications Division, and the Telecommunications Attache of the American Embassy on 12 April 1947 at a meeting with the Information Policy Department of the Foreign Office. At this meeting it was quickly established that the British Government had no objection in principle to the free exchange of monitored material by the two governments. The big problem for the British was the question of their assuming responsibility for the FBIB Middle Eastern communications. In connection with this, the American representatives were informed that our proposal to establish a permanent monitoring station in Cyprus was impractical at that time and could not be given serious consideration by the British Government. The Middle East communications problem, therefore, resolved itself to a question of whether the British could handle the FBIB traffic over its own Signal Corps facilities in Fayid or whether it could spend enough dollars to pay for commercial transmission. During the next two weeks, the FBIB proposals were discussed within the British Government, and just prior to my departure for Cairo on 28 April 1947, I was notified that the British had agreed in principle to handling our communications from Cairo to London. It was agreed that they would work out the details while I was inspecting the FBIB monitoring station in Cairo and have the arrangement completed by the time I returned to London.

I returned to London on 13 May and was informed by the Foreign Office that the British could not handle FBIB communications over its Signal Corps facilities due to a recently consummated communications treaty with the Egyptian Government. They also could not assume the burden of transmitting our traffic over commercial facilities because they could not afford the \$90,000 necessary to pay the Egyptian Government its fifty percent share of the traffic tolls.

The above development left the Cyprus proposal as the only possibility if a reciprocity arrangement were to be effected by the two governments. At this stage of negotiations, I appealed to the American Ambassador for assistance in obtaining high level Foreign Office support for our negotiations. Ambassador Douglas went immediately to see Sir Orme Sargent, permanent Under-Secretary for Foreign Affairs, who gave full endorsement to the American proposals.

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The American representatives argued that since the British Government was vitally interested in Middle Eastern monitoring, it would be wiser for them to permit FBIB to establish its receiving station in a politically stable area immediately rather than continue with the unsatisfactory arrangement in Egypt. It was obvious to me while inspecting our installation in Cairo that the hysterical nationalism of the Egyptian Government would sooner or later put FBIB in an untenable position. The Foreign Office agreed to this, but the proposal had to receive the concurrence of the Colonial Office as well as the Post Office, which allocates space over the British owned cables and wireless communications system. The Colonial Office, including the Governor of Cyprus,

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On 11 June 1947 I wrote to Mr. A. A. Dudley, Director of the Information Policy Department of the Foreign Office confirming in detail the reciprocal arrangement agreeable to CIG based on a transfer of the FBIB monitoring station from Cairo to Cyprus. On 14 June 1947, Mr. Dudley replied to my letter stating that subject to the security provisions mentioned above, and a final decision from the Treasury Department on paying for the communications from Cyprus to London, the British Government agreed to the American proposal. On 18 June 1947 I replied to Mr. Dudley's letter indicating that the security stipulations required by the British Government were agreeable to CIG and stated that FBIB was prepared to send a survey team to the Island of Cyprus as soon as we were notified the arrangements for the payment of traffic from Cyprus to London had been agreed to by the Treasury Department. Prior to my departure from London on 16 June 1947, Mr. Dudley had advised me informally that he anticipated no difficulty whatsoever in obtaining the approval of the Treasury Department for the use of pound sterling to pay for FBIB communications.

III. FUTURE ACTION REQUIRED

- a. Wait for a favorable reply from the Foreign Office to my letter of 18 June 1947.
- b. Upon receipt of the final clearance from the Foreign Office, dispatch a survey team of approximately four administrative and technical personnel to Cyprus via London to survey the Island from the standpoint of

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determining appropriate reception sites, availability of power supply, operational and employee housing possibilities, availability of construction facilities locally and other miscellaneous items for which information will be required prior to the completion of our detailed plans.

- c. Upon the return of the survey team, we should prepare a detailed proposal for the Projects Review Committee to obtain its decision as to whether FBIB should move from Cairo to Cyprus. It is imperative that this survey be made as quickly as possible since FBIB must continue to use commercial communications facilities at the rate of \$15,000 per month for every month it must remain in Cairo.
- d. Start a selected file of FBIB Far Eastern and Latin American intercepts to BBC London via Army Signal Corps channels as soon as a favorable reply is received from the Foreign Office. (The Signal Corps notified the Director, CIG, on 17 December 1946 that it could handle up to 25,000 words per day of this traffic.)

IV. APPENDIX

Attached for ready reference are the following letters:

- a. Letter dated 11 June 1947 from Chief, FBIB, to Director, Information Policy Department, Foreign Office.
- b. Letter dated 14 June 1947 from Director, Information Policy Department, Foreign Office, to Chief, FBIB.
- c. Letter dated 18 June 1947 from Chief, FBIB, to Director, Information Policy Department, Foreign Office.
- d. Memorandum dated 17 December 1946 from Chief Signal Officer, War Department, to Director, Central Intelligence Group.

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Chief, FBIB

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